



Director of  
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## National Intelligence Daily

*Tuesday*  
*7 February 1984*

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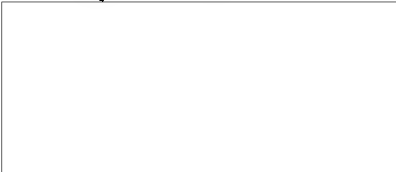
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**LEBANON: Situation Deteriorating**

*The Army is unlikely to quell the fighting that has spread to West Beirut, unless a political agreement is reached with President Gemayel's Syrian-backed opponents.* [redacted]

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Druze and Palestinian artillery positions southeast of Beirut continue to shell Army positions in East and West Beirut. Fighting spread yesterday from Beirut's southern suburbs into predominantly Sunni West Beirut, despite a 24-hour curfew imposed by the Army. Press accounts from Beirut [redacted]

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[redacted] suggest the Army may try to seal off West Beirut from the southern suburbs—possibly along the Corniche al Mazraah—using troops brought in from north of the city. [redacted]

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US Marine positions at Beirut airport came under artillery fire yesterday, and US naval units replied with gunfire and airstrikes. [redacted]

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The press continues to report that many Lebanese soldiers are refusing to fire against their coreligionists in the Shia Amal militia. Amal leader Barri's call for Shia officers and soldiers to lay down their arms is said to have stemmed from his anger at apparent random shelling of the southern suburbs by the Army. [redacted]

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An Army officer says that all Shia soldiers in the 3rd Brigade have deserted. The brigade's Christian and Sunni soldiers have retreated to the presidential palace. [redacted]

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**Comment:** As the fighting continues, defections and passive resistance are eroding the Army's strength. Army shelling of West and South Beirut and the absence of effective leadership by the government are likely to sap Army morale further. The Army probably will be unable to restore government control of West and South Beirut by force. [redacted]

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If the Army fails to restore order, Gemayel has little choice beyond selecting a prime minister who is acceptable to his opponents. Syria's price for allowing such a government to be formed is likely to be abrogation of the agreement of 17 May. [redacted]

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### Recent Nicaraguan Insurgent Sea and Air Attacks



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**NICARAGUA: Reaction to Air Attacks**

*The Sandinistas' call on Friday for a meeting of the UN Security Council and their decision to delay preparations for elections are designed to dramatize their concern over the largest insurgent air attacks to date.* [redacted]

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Officials of the Nicaraguan Democratic Force claim responsibility for an air attack late last week in Chinandega Department [redacted]

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[redacted] Managua's official protest to Tegucigalpa stated that six aircraft from Honduras attacked a civilian communications site near the Casita Volcano on Thursday, destroying an antenna and several fuel tanks. Satellite photography confirms that the transmitter building was damaged and that at least one antenna—and probably two others—was toppled. [redacted]

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Anti-Sandinista leaders also announced that a joint air-and-sea raid on Friday destroyed several weapons depots at the northwestern port of Aposentillo. Managua claims that on the same day five aircraft attacked a border post near Potosi. [redacted] these locations also have been associated with arms deliveries to the Salvadoran insurgents. [redacted]

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The Sandinistas, at the Security Council session on Friday, accused Honduras and the US of collaborating to undermine the Contadora peace process. In addition, Council of State President Nunez announced that debate on the proposed electoral law will be postponed until the facts about the raid are clarified. Junta Coordinator Ortega indicates, however, that the attacks will not delay the elections. [redacted]

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**Comment:** The anti-Sandinistas probably hope that by hitting these targets they can discredit Managua's claims that Salvadoran guerrilla groups no longer reside in Nicaragua. The attacks may prompt the Sandinistas to improve their air defenses, in part by obtaining additional equipment that may require more Cuban military advisers. [redacted]

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The delay in considering the electoral bill appears to be a tactic to increase international pressure on the US and Honduras to stop insurgent attacks. The Sandinistas apparently still intend to announce a date for elections on 21 February, the 50th anniversary of revolutionary leader Sandino's death. They have invited foreign heads of state to the ceremonies, and they probably will want to use the event to show they have made political progress. [redacted]

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**USSR: Ustinov's Health**

A US military attache in Moscow, who yesterday observed Defense Minister Ustinov leave his limousine and walk into a VIP clinic near the Kremlin, reports that Ustinov appeared ill. According to a Western press story, Soviet officials privately told Western diplomats yesterday that the cancellation on Saturday of Ustinov's official visit to India was the result of his illness and not that of General Secretary Andropov. [redacted]

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[redacted] The US Embassy reports that no unusual activity was observed at party headquarters on Sunday or yesterday, and that Moscow radio and television were following normal patterns of activity. [redacted]

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**Comment:** The Soviets clearly want others to believe that Ustinov is ailing. Their failure to say so openly, however, will continue to heighten speculation about Andropov's condition. [redacted]

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**EGYPT: Strategy Toward Arab States**

Several middle-level officials in the Egyptian Foreign Ministry say Cairo has no intention of campaigning aggressively to regain its membership in the Arab League at the Arab summit next month in Riyadh, because the non-Arab Muslims who helped Egypt gain readmission to the Islamic Conference will be absent. The officials believe that, if no action is taken on Egypt's membership at the summit, Iraq, Morocco, and perhaps Jordan may break the "Arab consensus" and restore formal relations. [ ]

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**Comment:** President Mubarak and his senior advisers may not share these views and could attempt the kind of all-out diplomatic effort that succeeded at the Islamic summit in Casablanca. Senior Egyptian leaders have become increasingly hopeful about renewing ties with moderate Arabs, following Egypt's success at Casablanca and PLO chief Arafat's visit to Cairo. Mubarak's visit to Morocco this week—the first by an Egyptian president since the signing of the Camp David Accords—and his meeting next week with Jordan's King Hussein in the US will tend to reinforce this optimism. [ ]

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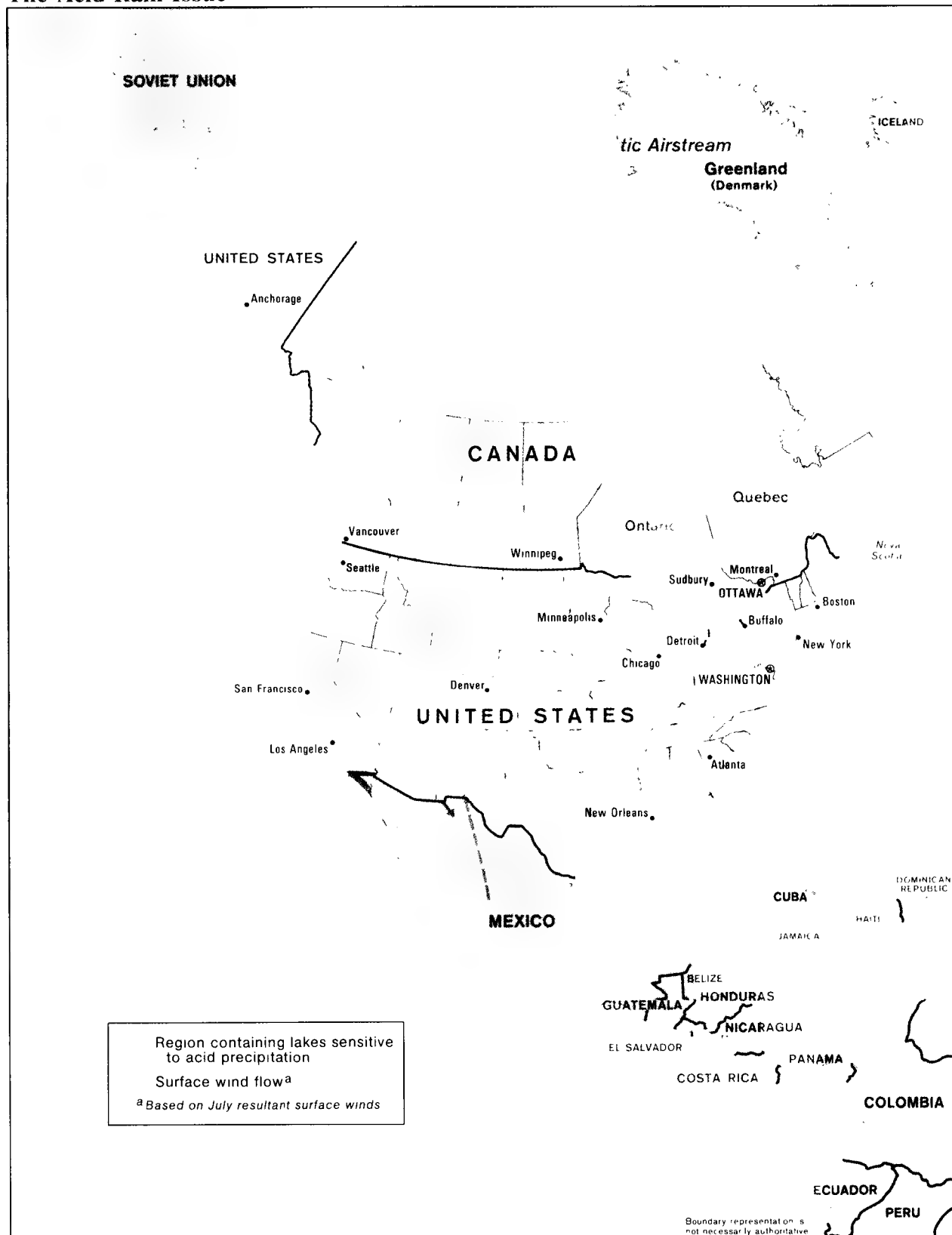
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**The Acid Rain Issue**

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**CANADA-US: The Acid Rain Issue**

Ottawa announced yesterday that it will host a conference next month on acid rain, which will be attended by eight West European environment ministers. A spokesman for Canadian Environment Minister Caccia said the meeting was arranged in part to maintain pressure on the US to conclude an acid rain treaty with Canada. Caccia termed Washington's failure last month to move beyond funding more acid rain research "a serious setback."

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**Comment:** The conference is part of the government's campaign to focus media attention on the acid rain problem. When an expected breakthrough in negotiations with the US last fall did not occur, Canadian officials apparently decided to sharpen their public criticism of US policy. Canadian pressure is likely to intensify this year. The Liberal Party is preparing for an election, and it will try to call public attention on both sides of the border to what it regards as US intransigence.

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**WESTERN EUROPE: Space Launch Program**

The European Space Agency has had to delay until 28 February the launch of the eighth Ariane-1 space launch vehicle, which is to carry the Intelsat VF-8 geosynchronous communications satellite. The launch has been repeatedly delayed by arcing problems with the satellite's maritime communications antenna, and this has caused Intelsat to cancel the launch of Intelsat VF-9. The VF-9 will undergo extensive testing, and a US domestic communications satellite will be launched instead—the first US payload to be put in orbit by a foreign launch vehicle.

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**Comment:** Arcing problems have developed with all the Intelsat V series satellites carrying the maritime antenna, and the launch of the VF-7 recently was postponed for more than a month to permit modifications. The satellite was launched in mid-October, but the arcing problems recurred after it was in orbit. The European Space Agency also has been having problems with the third stage of the Ariane-1. The repeated delays needed to fix the Intelsat VF-8, however, have permitted the repair of the third stage without further delaying the launch.

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**TUNISIA: Bread Price Increases**

The government apparently is confident that the small size of an 11-percent new increase in the price of bread and the provision of additional assistance to the poor will help it avoid provoking another outbreak of riots. Prime Minister Mzali on Friday announced a government austerity program that includes the increase. Last month an increase of 110 percent touched off riots and had to be rescinded. To reduce the budget deficit, the government now is planning immediate tax increases on alcohol, cigarettes, gasoline, and luxury goods, along with a second increase of 11 percent in the price of bread in July.

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**Comment:** Mzali once again is the bearer of bad news, and he probably will be blamed if there are new disturbances. This would weaken his position as heir apparent to President Bourguiba.

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## **Special Analysis**

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### **YUGOSLAVIA: Prospects for Terrorism at Sarajevo**

*Yugoslav security officials have worked long and hard to ensure that the Winter Olympics are not marred by violence. They are concerned that terrorist groups—particularly those involving Croatian emigres—will try to disrupt the games. Although there are no current indications that violence is likely, terrorist actions against foreign officials or participants cannot be ruled out. Terrorists also could attack Yugoslav targets in the country or abroad.*

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A number of Croatian emigre groups have already made threats against the games. There are between 3,000 and 5,000 such emigres in the West, mainly in West Germany. Most of them belong to organizations devoted to the destruction of the Yugoslav state.

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[REDACTED]

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[REDACTED] An attack during the games would dramatize the emigres' cause, retaliate for the murders of some of their colleagues by Yugoslav intelligence, and deal a blow to Yugoslavia's economy on the eve of the tourist season.

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A second group of emigres—ethnic Albanians from the Kosovo region also could pose a security threat. These emigres play a role in the disturbances that periodically occur in Kosovo.

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[REDACTED]

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In addition, Serbian emigre groups could carry out terrorist attacks.

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[REDACTED]

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### **Other Possible Threats**

Available reports do not indicate that the Iranians are planning terrorist attacks at the games. The Yugoslavs, however, are concerned that the sentencing of 12 pro-Iranian Muslim activists in Sarajevo last summer may provoke Tehran to cause an incident.

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Armenian terrorists also might be tempted to carry out an attack, but several factors argue against such an operation. Two members of the Armenian terrorist group accused in the murder last March of the Turkish Ambassador to Yugoslavia are on trial in Belgrade. The group probably would not conduct any operations that might jeopardize the outcome of the trial. [REDACTED]

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The other major Armenian terrorist group lacks a support base in Yugoslavia. Moreover, the group's operations have been disrupted by an internal dispute over its use of indiscriminate violence. [REDACTED]

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Terrorist acts by radical Palestinian groups are unlikely because Israel is not participating in the games. The Libyans also probably will not promote terrorism, for fear of damaging their good relations with the Yugoslavs. [REDACTED]

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### **Yugoslav Preparations**

Yugoslav intelligence has for decades pursued an intensive antiterrorist program at home and abroad, and it has used a variety of techniques to reduce the terrorist threat posed by the emigres. Security forces in Yugoslavia are now keeping all suspicious foreigners under tight surveillance. [REDACTED]

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Belgrade also has held high-level consultations with the US and other Western countries aimed at monitoring and neutralizing the emigre threat. Although the West Germans have agreed to cooperate, Minister of Interior Dolanc has complained that Bonn is not cooperating as much as it should. [REDACTED]

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Bonn resents Yugoslav security operations against the emigres on West German territory. It has expressed fear that Yugoslavs might deny refugee status to East German citizens who might use the occasion of the games to flee to the West. [REDACTED]

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### **Political Implications**

The Yugoslav leadership has an important political stake in the Winter Olympics. It needs a success at Sarajevo to help restore public confidence in the regime, which has been largely ineffective in dealing with the nation's economic and political problems. [REDACTED]

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If a terrorist incident marred the games, the careers of a number of leading politicians in Bosnia and Hercegovina could be undermined. The most prominent is Bosnian strongman and Olympic Organizing Committee chairman Mikulic, who almost certainly will be the next representative on the federal presidency from Bosnia and Hercegovina. 

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Despite repeated danger signals that Muslim nationalism is increasing in Bosnia and Hercegovina, local leaders in that republic previously have denied the existence of such activity. If Muslim activists disrupted the games, the political future of these leaders would be in doubt. 

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